

ACCOUNTING POLICY

TOPIC: Section 10--Special Expense 9.0	EFFECTIVE DATE: 4/14/03
TITLE: Allowable Federal Rental Rates for State-Owned Buildings	REVISION DATE: 12/23/04
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BACKGROUND

The Department of Administration (DOA) charges a uniform rental rate for all the DOA owned and operated buildings. However, the Federal Division of Cost Allocation requires that the rent charged by DOA to federal programs for reimbursement must be determined on a building by building basis.

Therefore, each year DOA submits a proposed rate for each DOA owned and operated building to the Federal Division of Cost Allocation. The proposed rates are based on actual building costs from the prior fiscal year, plus carry-forward adjustments and interest costs for debt service. These proposed rates are also known as "allowable" federal rental rates. The rates vary from building to building and year to year.

PROCEDURES

Each year, DOA will notify DHFS of the proposed federal rental rates for DOA-owned buildings that have been submitted to the Federal Division of Cost Allocation for the upcoming State Fiscal Year.

The Special Services and Financial Statements Section will prepare a schedule of the proposed allowable federal rates, compared to rental rates charged by DOA, and calculate the non-federal amounts and percentages for each building occupied by DHFS.

Only the portion of the DOA rent that is allowable for federal reimbursement may be billed to federal programs.

ATTACHMENTS

1. DOA vs. Allowable Federal Rental Rates for the Fiscal Year Ending 6/30/2005

CONTACTS

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Sources:	State-Owned Bldg. Rent approved by State Bldg. Commission for Office Space	3/29/04 Memo from Martha Kerner, DOA
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